

BRIAN C. MCNEIL Executive Secretary

ARIZONA CORPORATION COMMISSION

STAFF'S FIRST DRAFT OF PROPOSED DSM RULES

TO:

Docket Control

APR 1.5 2005

DATE:

April 15, 2005

RE:

Staff's First Draft of Proposed DSM Rules - Docket No. RE-00000C-05-0230

On February 7, 2005, Staff filed a Staff Report on Demand Side Management, Docket Nos. E-00000A-02-0051, E-01345A-01-0822, E-00000A-01-0630, E-01933A-02-0069. In that report, Staff presented and described a DSM Policy, the result of a collaborative stakeholder effort through numerous workshops. The Staff Report also indicated that Staff would convert the DSM Policy into proposed rules for Commission consideration.

Exhibit 1 contains Staff's First Draft of Proposed DSM Rules. The proposed rules are substantially similar to the DSM Policy presented in the Staff Report, attached as Exhibit 2. The proposed rules in Exhibit 1 are only a Staff draft and may be modified as appropriate.

Staff encourages all interested parties to provide written comments on Staff's First Draft of Proposed DSM Rules. Please file an original and 13 copies of your comments with the Commission's Docket Control Center, 1200 West Washington, Phoenix, Arizona 85007 on or before May 2, 2005. A new docket has been opened for the rulemaking. Please reference Docket No. RE-00000C-05-0230 on all comments. In addition, all parties who want to be added to the service list for this docket should send a notice indicating their interest and including both mailing address and e-mail address. Staff appreciates the input of all interested parties in the development of these rules.

Very truly yours,

Ernest G. Johnson

Director, Utilities Division

cc:

Chairman Jeff Hatch-Miller

Commissioner William A. Mundell

Commissioner Marc Spitzer

Commissioner Mike Gleason

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